

EXHIBIT B

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

CHRIS KOHLER,

Plaintiff,

vs.

MIRA MESA MARKETPLACE WEST,
LLC, et al.,

Defendants.

CASE NO. 06CV2399 WQH (POR)

**ORDER DECLINING
SUPPLEMENTAL
JURISDICTION OVER
PLAINTIFF'S STATE LAW
CLAIMS**

(Docs. # 40, 43, 58)

HAYES, J:

The matter before the Court is the Motion to Dismiss filed by Defendant SWH Corporation dba Mimi's Cafe #0050 ("SWH") (Doc. # 40), as well as the motions for, or notices of, joinder in SWH's Motion to Dismiss filed by seven other Defendants (Docs. # 43, 44, 45, 46, 49, 56, 58). The Court finds this matter suitable for submission on the papers and without oral argument pursuant to Civil Local Rule 7.1(d)(1).

BACKGROUND

On October 30, 2006, Plaintiff Chris Kohler filed the Complaint in this matter, asserting federal Americans with Disability Act ("ADA") claims as well as California state law claims

1 pursuant to the Disabled Person Act (“DPA”), the Unruh Civil Rights Act (“Unruh Act”), and
2 the California Health & Safety Code against twelve businesses located in a business mall at
3 Westview Parkway in San Diego. (Doc. # 1.) Plaintiff alleges that he is physically disabled,
4 and “visited [each Defendant’s] facilities and encountered barriers (both physical and
5 intangible) that interfered with--if not outright denied--his ability to use and enjoy the goods,
6 services, privileges, and accommodations offered at these facilities.” (Compl. ¶¶ 17, 28.)
7 Plaintiff seeks exemplary damages, injunctive and declaratory relief, attorneys fees and costs
8 pursuant to the ADA and California statutes.

9 SWH moves to dismiss pursuant to Federal Rule of Civil Procedure 12(b)(1) and 28
10 U.S.C. § 1367(c), arguing that Plaintiff lacks standing to bring an Unruh Act cause of action,
11 or, alternatively, the Court should decline to exercise supplemental jurisdiction over Plaintiff’s
12 state law claims. Plaintiff opposes the motion.

13 STANDARD OF REVIEW

14 “[I]n any civil action of which the district courts have original jurisdiction, the district
15 courts shall have supplemental jurisdiction over all other claims that are so related to claims
16 in the action within such original jurisdiction that they form part of the same case or
17 controversy under Article III of the United States Constitution.” 28 U.S.C. § 1367(a). “A state
18 law claim is part of the same case or controversy when it shares a ‘common nucleus of
19 operative fact’ with the federal claims . . .” *Bahrampour v. Lampert*, 356 F.3d 969, 978 (9th
20 Cir. 2004). A district court may decline to exercise supplemental jurisdiction over a state law
21 claim if:

- 22 (1) the claim raises a novel or complex issue of State law,
- 23 (2) the claim substantially predominates over the claim or claims over which the
24 district court has original jurisdiction,
- 25 (3) the district court has dismissed all claims over which it has original
jurisdiction, or
- 26 (4) in exceptional circumstances, there are other compelling reasons for
27 declining jurisdiction.

28 U.S.C. §1367(c); *see also Cross v. Pacific Coast Plaza Investments, L.P.*, No. 06 CV 2543
JM (RBB), 2007 WL 951772, *3 (S.D. Cal. Mar. 6, 2007). In deciding whether to exercise

1 supplemental jurisdiction, a court must consider the underlying objective of “most sensibly
2 accommodating the values of economy, convenience, fairness, and comity.” *Executive*
3 *Software N. Am., Inc. v. USDC for the Cent. Dist. of Calif.*, 24 F.3d 1545, 1557 (9th Cir. 1994)
4 (internal quotations omitted).

5 DISCUSSION

6 The Complaint includes one federal ADA claim and three state claims pursuant to the
7 DPA, the Unruh Act, and the California Health and Safety Code against each Defendant. The
8 underlying factual allegations are the same for all of Plaintiff’s claims, and therefore Plaintiff’s
9 state law claims share the requisite “common nucleus of operative facts” with the federal
10 claims to allow this Court to exercise jurisdiction over Plaintiff’s state law claims pursuant to
11 28 U.S.C. § 1367. *See Org. for the Advancement of Minorities with Disabilities v. Brick Oven*
12 *Rest.*, 406 F. Supp. 2d 1120, 1128 (S.D. Cal. 2005).

13 SWH argues that the Court should decline to exercise supplemental jurisdiction over
14 Plaintiff’s state law claims because the state law claims present novel and complex issues of
15 state law in light of the recent California Court of Appeal decision in *Gunther v. Lin*, 144 Cal.
16 App. 4th 223 (2006), which held that CAL. CIV. CODE § 52’s statutory damages provision
17 requires proof of intentional discrimination. SWH argues that the issue of whether the Unruh
18 Act and CAL. CIV. CODE § 52 require proof of intentional discrimination to obtain statutory
19 minimum damages is a complex and unsettled area of the law.

20 The California Supreme Court first addressed the question in *Koire v. Metro Car Wash*,
21 40 Cal. 3d 24, 33 n.12 (1985), stating in a footnote that the Unruh Act did not require proof
22 of discriminatory intent. Six years later, the issue squarely presented itself again in *Harris v.*
23 *Capital Growth Investors*, 52 Cal. 3d 1142, 172-73 (1991), where, after reviewing the statute
24 in detail, the California Supreme Court held that “a plaintiff seeking to establish a case under
25 the Unruh Act must plead and prove intentional discrimination in public accommodations.”
26 After *Harris*, the California State Legislature amended CAL. CIV. CODE § 51 in 1992, and
27 added a provision which states that a defendant violates the Unruh Act whenever it violates
28 the ADA. *See* CAL. CIV. CODE § 51(f). The amendment raised the question of whether the

1 statute as amended and read in conjunction with CAL. CIV. CODE § 52 required proof of
2 intentional discrimination.

3 In 2004, the Court of Appeals for the Ninth Circuit found that the 1992 Unruh Act
4 amendments superseded *Harris*, and held that where a defendant violates the ADA, the Unruh
5 Act is also violated regardless of whether a Plaintiff can prove intentional discrimination. *See*
6 *Lentini v. Calif. Ctr. for the Arts*, 370 F.3d 837, 846-47 (9th Cir. 2004). In 2006, the California
7 Court of Appeal held that *Harris* was still viable, rejected *Lentini* as an incorrect interpretation
8 of California law, and held that CAL. CIV. CODE § 52 required proof of intentional
9 discrimination. *See Gunther*, 144 Cal. App. 4th at 252-57. Since *Gunther*, at least one federal
10 court has followed *Lentini* and disregarded *Gunther*, *see Wilson v. Haria and Gogri Corp.*, No.
11 CIV.S-05-1239 LKK/DAD, 2007 WL 851744, *6-11 (E.D. Cal. Mar. 22, 2007), while at least
12 another federal court has noted the unsettled nature of the Unruh Act's damages provision and
13 declined to exercise supplemental jurisdiction over state Unruh Act and DPA claims, *see Cross*
14 *v. Pacific Coast Plaza Investments, L.P.*, No. 06 CV 2543 JM (RBB), 2007 WL 951772, *4-5
15 (S.D. Cal. Mar. 6, 2007).

16 This Court concludes that Plaintiff's state law claims are more appropriately resolved
17 by state courts in light of *Gunther* and the current state of California disability law. At this
18 point in time, the Unruh Act's remedial provisions present novel and complex matters of state
19 law that are "better left to the California courts" to resolve "what is at the moment and
20 irreconcilable tension between the ADA and the Unruh Act." *Cross*, No. 06 CV 2543 JM
21 (RBB), 2007 WL 951772, *5 (S.D. Cal. Mar. 6, 2007) (citing *Brick Oven Restaurant*, 406 F.
22 Supp. 2d at 1130). Though the Court has the power to retain jurisdiction over the state law
23 claims, the Court concludes that, "on balance . . . the novelty and complexity of the state law
24 is such that comity supports the granting" of the motion to dismiss the state law claims. *Cross*,
25 No. 06 CV 2543 JM (RBB), 2007 WL 951772, *5-6 (S.D. Cal. Mar. 6, 2007).

26 CONCLUSION

27 For the reasons set out above, SWH's Motion to Dismiss (Doc. # 40) is **GRANTED**.
28 The Motions for Joinder to SWH's Motion to Dismiss (Docs. # 43, 58) are **GRANTED**. All

1 of Plaintiff's state law claims against all remaining Defendants are **DISMISSED** without
2 prejudice to the Plaintiff refiling those claims in state court. Plaintiff's ADA claims against
3 all remaining Defendants remain pending in this Court.

4 DATED: June 4, 2007

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6 **WILLIAM Q. HAYES**
7 United States District Judge
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